

USE OF THE DMO'S SPECIAL REPO FACILITY: 13 OCTOBER 2008

An additional £655 million (nominal) of 4% Treasury Stock 2009, £500 million (nominal) of 4¼% Treasury Gilt 2011 and £400 million (nominal) of 4% Treasury Gilt 2016 has today (13 October) been created and made available to the market under the terms of the DMO's special repo facility, which was announced on 3 October 2008, with effect from 6 October. It is intended that this additional stock will be cancelled upon return, but the DMO will make an announcement at that time. The DMO has been given general collateral for one week at the Bank of England's Official Bank Rate against the stock it has lent at Bank Rate less 150 bps (i.e. 3.00%)

The additional amount(s) of stock created this morning is NOT eligible for inclusion in FTSE indices calculations and the amount(s) in issue following cancellation of this stock will remain at £17,141 million nominal (4% 2009), £14,292 million nominal (4Q 2011) and £14,032 million nominal (4% 2016).